



BILLING CODE (3410-XY-U)

DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

Inviting Applications for Value-Added Producer Grants

AGENCY: Rural Business-Cooperative Service, USDA

ACTION: Notice of Funding Availability (NOFA)

SUMMARY: USDA announces the availability of grants through the Value-Added Producer Grant (VAPG) program for Fiscal Year 2012. Approximately \$14 million in competitive grant funds for FY 2012 is available to help agricultural producers enter into value-added activities. At the discretion of the Secretary, additional funds may be made available to qualified ranking applications that respond to this announcement from prior year carry-over funds.

Awards may be made for either economic planning or working capital activities related to the processing and/or marketing of valued-added agricultural products. The maximum grant amount for a planning grant is \$100,000 and the maximum grant amount for a working capital grant is \$300,000.

There is a matching funds requirement of at least \$1 for every \$1 in grant funds provided by the Agency (matching funds plus grant funds must equal proposed total project costs). Matching funds may be in the form of cash or eligible in-kind contributions and may be used only for eligible project purposes. Matching funds must be available at time of application and must be certified and verified as described in 7

CFR 4284.931(b)(3) and (4). See 7 CFR 4284.923 and 7 CFR 4284.924 for examples of eligible and ineligible uses of matching funds.

Ten percent of available funds are reserved to fund applications submitted by Beginning Farmers or Ranchers and Socially Disadvantaged Farmers or Ranchers, and an additional 10 percent of available funds are reserved to fund applications from farmers or ranchers that propose development of Mid-Tier Value Chain projects (both collectively referred to as “reserved funds”). See 7 CFR 4284.925 and 7 U.S.C. 1632(a).

DATES: You must submit your application by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] or it will not be considered for funding announced in this Notice. Paper applications must be postmarked and mailed, shipped or sent overnight by this date. Electronic applications are permitted via www.grants.gov only, and must be received before midnight on this date.

ADDRESSES: You should contact your USDA Rural Development State Office if you have questions about eligibility or submission requirements. You are encouraged to contact your State Office well in advance of the application deadline to discuss your project and to ask any questions about the application process. You may request technical assistance from your State Office up to 14 days prior to the application deadline.

Application materials are available at http://www.rurdev.usda.gov/BCP_VAPG.html.

If you want to submit an electronic application, follow the instructions for the VAPG funding announcement on <http://www.grants.gov>. If you want to submit a paper application, send it to the State Office located in the State where your project will

primarily take place. You can find State Office Contact information at

http://www.rurdev.usda.gov/recd_map.html or see the following list:

Alabama

USDA Rural Development State Office
Sterling Centre, Suite 601
4121 Carmichael Road
Montgomery, AL 36106-3683
(334) 279-3400/TDD (334) 279-3495

Alaska

USDA Rural Development State Office
800 West Evergreen, Suite 201
Palmer, AK 99645-6539
(907) 761-7705/TDD (907) 761-8905/

American Samoa (see Hawaii)

Arizona

USDA Rural Development State Office
230 N. 1st Ave., Suite 206
Phoenix, AZ 85003
(602) 280-8701/TDD (602) 280-8705

Arkansas

USDA Rural Development State Office
700 West Capitol Avenue, Room 3416
Little Rock, AR 72201-3225
(501) 301-3200/TDD (501) 301-3279

California

USDA Rural Development State Office
430 G Street, # 4169
Davis, CA 95616-4169
(530) 792-5800/TDD (530) 792-5848

Colorado
USDA Rural Development State Office
Denver Federal Center
Building 56, Room 2300
PO Box 25426
Denver, CO 80225-0426
(720) 544-2903

Commonwealth of the Northern Marianas
Islands-CNMI (see Hawaii)

Connecticut (see Massachusetts)

Delaware-Maryland
USDA Rural Development State Office
1221 College Park Drive, Suite 200
Dover, DE 19904
(302) 857-3580/TDD (302) 857-3585

Federated States of Micronesia (see Hawaii)

Florida/Virgin Islands
USDA Rural Development State Office
4440 NW 25th Place
P.O. Box 147010
Gainesville, FL 32614-7010
(352) 338-3400/TDD (352) 338-3499

Georgia
USDA Rural Development State Office
Stephens Federal Building
355 E. Hancock Avenue
Athens, GA 30601-2768
(706) 546-2162/TDD (706) 546-2034

Guam (see Hawaii)

Hawaii/Guam/Republic of Palau/Federated States of Micronesia/Republic of the Marshall
Islands/American Samoa/ Commonwealth of the Northern Marianas
Islands-CNMI

USDA Rural Development State Office
Federal Building, Room 311
154 Waianuenue Avenue
Hilo, HI 96720
(808) 933-8380/TDD (808) 933-8321

Idaho
USDA Rural Development State Office
9173 West Barnes Drive, Suite A1
Boise, ID 83709
(208) 378-5600/TDD (208) 378-5644

Illinois
USDA Rural Development State Office
2118 West Park Court, Suite A
Champaign, IL 61821
(217) 403-6200/TDD (217) 403-6240

Indiana
USDA Rural Development State Office
5975 Lakeside Boulevard
Indianapolis, IN 46278
(317) 290-3100/TDD (317) 290-3343

Iowa
USDA Rural Development State Office
Federal Building, Room 873
210 Walnut Street
Des Moines, IA 50309
(515) 284-4663/TDD (515) 284-4858

Kansas
USDA Rural Development State Office
1303 S.W. First American Place, Suite 100
Topeka, KS 66604-4040
(785) 271-2700/TDD (785) 271-2767

Kentucky
USDA Rural Development State Office
771 Corporate Drive, Suite 200
Lexington, KY 40503
(859) 224-7300/TDD (859) 224-7422

Louisiana
USDA Rural Development State Office
3727 Government Street
Alexandria, LA 71302
(318) 473-7921/TDD (318) 473-7655

Maine
USDA Rural Development State Office
967 Illinois Avenue, Suite 4
P.O. Box 405
Bangor, ME 04402-0405
(207) 990-9160/TDD (207) 942-7331

Marshall Islands (see Hawaii)

Maryland (see Delaware)

Massachusetts/Rhode Island/Connecticut
USDA Rural Development State Office
451 West Street, Suite 2
Amherst, MA 01002-2999
(413) 253-4300/TDD (413) 253-4590

Michigan
USDA Rural Development State Office
3001 Coolidge Road, Suite 200
East Lansing, MI 48823
(517) 324-5190/TDD (517) 324-5169

Minnesota
USDA Rural Development State Office
375 Jackson Street, Suite 410
St. Paul, MN 55101-1853
(651) 602-7800/TDD (651) 602-3799

Mississippi
USDA Rural Development State Office
Federal Building, Suite 831
100 West Capitol Street
Jackson, MS 39269
(601) 965-4316/TDD (601) 965-5850

Missouri
USDA Rural Development State Office
601 Business Loop 70 West
Parkade Center, Suite 235

Columbia, MO 65203
(573) 876-0976/TDD (573) 876-9480
Montana
USDA Rural Development State Office
2229 Boot Hill Court
Bozeman, MT 59715-7914
(406) 585-2580/TDD (406) 585-2562

Nebraska
USDA Rural Development State Office
Federal Building, Room 152
100 Centennial Mall North
Lincoln, NE 68508
(402) 437-5551/TDD (402) 437-5093

Nevada
USDA Rural Development State Office
1390 South Curry Street
Carson City, NV 89703-5146
(775) 887-1222/TDD 7-1-1

New Hampshire (see Vermont)

New Jersey
USDA Rural Development State Office
8000 Midlantic Drive
5th Floor North, Suite 500
Mt. Laurel, NJ 08054
(856) 787-7700/TDD (856) 787-7784

New Mexico
USDA Rural Development State Office
6200 Jefferson Street NE, Room 255
Albuquerque, NM 87109
(505) 761-4950/TDD (505) 761-4938

New York
USDA Rural Development State Office
The Galleries of Syracuse
441 South Salina Street, Suite 357
Syracuse, NY 13202-2541
(315) 477-6400/TDD (315) 477-6447

North Carolina
USDA Rural Development State Office
4405 Bland Road, Suite 260
Raleigh, NC 27609
(919) 873-2000/TDD (919) 873-2003

North Dakota
USDA Rural Development State Office
Federal Building, Room 208
220 East Rosser
P.O. Box 1737
Bismarck, ND 58502-1737
(701) 530-2037/TDD (701) 530-2113

Northern Mariana Islands (see Hawaii)

Ohio
USDA Rural Development State Office
Federal Building, Room 507
200 North High Street
Columbus, OH 43215-2418
(614) 255-2400/TDD (614) 255-2554

Oklahoma
USDA Rural Development State Office
100 USDA, Suite 108
Stillwater, OK 74074-2654
(405) 742-1000/TDD (405) 742-1007

Oregon
USDA Rural Development State Office
1201 NE Lloyd Blvd., Suite 801
Portland, OR 97232
(503) 414-3300/TDD (503) 414-3387

Palau (see Hawaii)

Pennsylvania
USDA Rural Development State Office
One Credit Union Place, Suite 330
Harrisburg, PA 17110-2996
(717) 237-2299/TDD (717) 237-2261

Puerto Rico
USDA Rural Development State Office

IBM Building, Suite 601
654 Munos Rivera Avenue
San Juan, PR 00918-6106
(787) 766-5095/TDD (787) 766-5332

Rhode Island (see Massachusetts)

South Carolina
USDA Rural Development State Office
Strom Thurmond Federal Building
1835 Assembly Street, Room 1007
Columbia, SC 29201
(803) 765-5163/TDD (803) 765-5697

South Dakota
USDA Rural Development State Office
Federal Building, Room 210
200 Fourth Street, SW
Huron, SD 57350
(605) 352-1100/TDD (605) 352-1147

Tennessee
USDA Rural Development State Office
3322 West End Avenue, Suite 300
Nashville, TN 37203-1084
(615) 783-1300

Texas
USDA Rural Development State Office
Federal Building, Suite 102
101 South Main
Temple, TX 76501
(254) 742-9700/TDD (254) 742-9712

Utah
USDA Rural Development State Office
Wallace F. Bennett Federal Building
125 South State Street, Room 4311
Salt Lake City, UT 84138
(801) 524-4321/TDD (801) 524-3309

Vermont/New Hampshire
USDA Rural Development State Office
City Center, 3rd Floor
89 Main Street
Montpelier, VT 05602

(802) 828-6080/TDD (802) 223-6365

Virginia

USDA Rural Development State Office
1606 Santa Rosa Road, Suite 238
Richmond, VA 23229-5014
(804) 287-1550/TDD (804) 287-1753
Virgin Islands (see Florida)

Washington

USDA Rural Development State Office
1835 Black Lake Boulevard SW., Suite B
Olympia, WA 98512-5715
(360) 704-7740/TDD (360) 704-7760

West Virginia

USDA Rural Development State Office
1550 Earl Core Road, Suite 101
Morgantown, WV 26505
(304) 284-4860/TDD (304) 284-4836

Western Pacific (see Hawaii)

Wisconsin

USDA Rural Development State Office
4949 Kirschling Court
Stevens Point, WI 54481
(715) 345-7600/TDD (715) 345-7614

Wyoming

USDA Rural Development State Office
100 East B, Federal Building, Room 1005
P.O. Box 11005
Casper, WY 82602-5006
(307) 233-6700/TDD (307) 233-6733

FOR FURTHER INFORMATION CONTACT: Office of the Deputy Administrator,
Cooperative Programs, Rural Business-Cooperative Service, United States Department of
Agriculture, 1400 Independence Avenue, S.W., MS-3250, Room 4016-South,
Washington, D.C. 20250-3250, (202) 720-8460.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act, the paperwork burden associated with this Notice has been approved by the Office of Management and Budget (OMB) under OMB Control Number 0570–0039.

Overview

Federal Agency Name: Rural Business-Cooperative Service

Funding Opportunity Title: Value-Added Producer Grants

Announcement Type: Funding Announcement

Catalog of Federal Domestic Assistance Number: 10.352

I. Funding Opportunity Description

A. Purpose of the Program

The primary objective of this grant program is to help Independent Producers of agricultural commodities, Agriculture Producer Groups, Farmer and Rancher Cooperatives, and Majority-Controlled Producer-Based Business Ventures enter into value-added activities related to the processing and/or marketing of bio-based value-added agricultural products. Grants will be awarded competitively for either planning or working capital projects directly related to the processing and/or marketing of value-added products. Generating new products, creating and expanding marketing opportunities, and increasing producer income are the end goals. Applications that support aspects of regional strategic planning, cooperative development, sustainable

farming, and local and regional food systems are encouraged. Proposals must demonstrate economic viability and sustainability in order to compete for funding.

As part of this funding initiative, funding priority will be available to Beginning Farmers and Ranchers, Socially-Disadvantaged Farmers and Ranchers, Operators of Small and Medium-Sized Farms and Ranches that are structured as a Family Farm, Farmer or Rancher Cooperatives, and projects proposing to develop a Mid-Tier Value Chain. See 7 CFR 4284.922(c) for Reserved Funding and 7 CFR 4284.922(d) for Priority Point categories and requirements.

The VAPG Program is authorized under section 231 of the Agriculture Risk Protection Act of 2000 (P. L. 106-224), as amended by section 6202 of the Food, Conservation, and Energy Act of 2008 (P. L. 110-246) (see 7 U.S.C. 1632a). Applicants must adhere to the program requirements contained in the program regulation, 7 CFR 4284, subpart J, which is incorporated by reference in this Notice.

B. Definition of Terms

The terms you need to understand are defined in 7 CFR 4284.902. In addition, there has been some confusion on the Agency's meaning of the terms "Harvester," and "Steering Committee," because these terms are only referenced as part of the Independent Producer definition and are not specifically defined in the regulation used for the program. Therefore, these terms are defined below and should be understood as follows.

Harvester: Harvesters are individuals or entities that demonstrate their legal right to access and harvest a *primary* agricultural commodity; and are not individuals or entities that merely glean, gather or collect *residual* commodities that result from an

initial harvesting or production of a primary agricultural commodity. Examples of Harvesters may include, but are not limited to, a logger who has a legal right to access and harvest logs from the forest that are then converted into boards; a fisherman that has the legal right to access and harvest fish from the ocean or river that are then smoked. For clarification, it is the Agency's position that Harvesters may only apply as an Independent Producer applicant type because harvester operations do not meet Agency definition requirements for a Farm or Ranch. Harvester applicants will not be eligible to receive Reserve Funds for a Beginning Farmer or Rancher or a Socially Disadvantaged Farmer or Rancher; and will not be eligible to receive Priority Points for a Beginning Farmer or Rancher, a Socially Disadvantaged Farmer or Rancher, Operator of a Small or Medium-sized Farm or Ranch structured as a Family Farm, or a Farmer or Rancher Cooperative. However, Harvesters may request Reserve Funds and/or Priority Points for a qualifying Mid-Tier Value Chain project if eligibility is documented in the application.

Steering Committee: A Steering Committee is an unincorporated group of specifically identified Agricultural Producers that lacks a legal structure or identity and is in the process of organizing one of the four program eligible entity types that will operate a value-added venture and will supply the majority of the agricultural commodity for the value-added project. For clarification, it is the Agency's position that a Steering Committee may only apply as an Independent Producer applicant type and must be 100 percent comprised of Independent Producers at time of application submission. If selected for award of funds, and before the grant agreement will be approved by the Agency, the Steering Committee members must form a legally authorized organization that meets requirements for one of the four program eligible applicant types and provide

the necessary documentation for approval by the Agency.

Finally, in support of the *Value-Added Agricultural Product* definition requirements in 7 CFR 4284.902, the Agency directs that applicants demonstrate expansion of customer base for the agricultural commodity by including a baseline of current customers for the commodity, and an estimated target number of customers that will result from the project; and demonstrate the estimated amount of the increased portion of the revenue derived from the marketing, processing or physical segregation of the agricultural commodity that will be available to the applicant's producers of the agricultural commodity, by including a baseline of current revenues from the sale of the agricultural commodity and an estimated target number of increased revenues that will result from the project.

II. Award Information

Type of Instrument: Grant

Fiscal Year Funds: FY 2012

Approximate Number of Awards: 120

Available Total Funding: Approximately \$14 million

Minimum Award Amount: Not restricted for planning or working capital. In FY 2011, 49 percent of awards were \$50,000 or less.

Maximum Award Amount: Planning--\$100,000; Working Capital--\$300,000

Anticipated Award Date: January 18, 2013

Grant Period Length: The maximum grant period is 3 years from date of award.

Proposed grant periods should be scaled to the complexity of the objectives of the

project.

III. Eligibility Information

A. Eligible Applicants

You must be an Independent Producer, Agricultural Producer Group, Farmer or Rancher Cooperative, or a Majority Controlled Produced-Based Business to apply to this program; and you must meet all related requirements for Emerging Market (as applicable), Citizenship, Legal Authority and Responsibility, Multiple Grants and Active Grants. In addition, you must meet Departmental requirements related to debarment, suspension and exclusion from participation in Federal assistance programs, as well as requirements related to outstanding Federal income taxes, judgments and delinquencies. For detailed requirements, see 7 CFR 4284.920 and 7 CFR 4284.921.

As a special emphasis, Rural Development encourages applications from Federally Recognized Tribal Groups and corporations and subdivisions of Tribal Groups undertaking or planning to undertake eligible value-added projects. For further tribal eligibility questions, please contact your local Rural Development office.

As part of applicant eligibility, it is important to clarify that all four applicant types must meet the Independent Producer and Agricultural Producer definition requirements in 7 CFR 4284.902, including, but not limited to, production and ownership of the majority of the raw agricultural commodity that will be transformed into the proposed value-added product for the project. All applicants must maintain ownership of the raw agricultural commodity through the production and marketing of the value-added

product, with one partial exception for Mid-Tier Value Chain projects noted in its definition in 7 CFR 4284.902. Businesses that contract out the production of an agricultural commodity are not considered Independent Producers, and businesses that produce the agricultural commodity under contract for another business and do not own the raw commodity or value-added product produced are not considered Independent Producers.

Finally, all applicants for working capital funds must document the quantity of the agricultural commodity that will be used for the value-added product, expressed in an appropriate unit of measure (acres, pounds, bushels, etc.) to demonstrate the scale of the applicant's project. This quantification must include an estimated total quantity of the agricultural commodity needed for the project, the quantity that will be provided (produced and owned) by the agricultural producers of the applicant organization, and the quantity that will be purchased or donated from third-party sources. The application must demonstrate that the amount of applicant commodity contributed to the project is the majority of the total agricultural commodity needed for the value-added project.

B. Project Eligibility

Your project must meet (1) Product Eligibility requirements related to the definition of Value-Added Agricultural Product, including value-added methodologies, expansion of customer base for the agricultural commodity, and increased revenues returning to the applicant's producers of the agricultural commodity as a result of the project; (2) Purpose Eligibility requirements related to maximum grant amounts, certification and verification of matching funds,

eligible and ineligible uses of grant and matching funds for planning or working capital activities, including requirements related to conflicts of interest and ineligible expenses in excess of 10 percent of total project costs, a substantive work plan and budget, independent feasibility study and/or business plan requirements for working capital projects (subject to Agency concurrence of financial feasibility, as defined in 7 CFR 4284.902), including demonstration of readiness to implement the working capital activities, and identification of the number of jobs expected to be created or saved as a result of the project; (3) Reserved Funds Eligibility requirements if you choose to compete for Reserved Funds as a Beginning Farmer or Rancher, a Socially Disadvantaged Farmer or Rancher, or if you propose to develop a Mid-Tier Value Chain; and (4) Priority Status Eligibility requirements if you request priority points in the competition for a project that contributes to increasing opportunities for Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers, or if you are an Operator of a Small or Medium-sized farm or ranch that is structured as a Family Farm, propose a Mid-Tier Value Chain project, or are a Farmer or Rancher Cooperative. For detailed requirements, see 7 CFR 4284.922, 7 CFR 4284.923 and 7 CFR 4284.924.

Note: If you are applying for a working capital grant that requires a project-specific independent feasibility study and/or business plan, you must submit those documents with your application. In addition, you must summarize relevant results of the feasibility study and business plan in response to the scoring criteria, as applicable, because reviewers will not receive copies of your

feasibility study or business plan when scoring your application. Based on the information presented in the application, including a feasibility study and/or business plan where required, the applicant must demonstrate that the project is financially feasible and can achieve the income, credit and cash flows to sustain the venture over the long term. Applications with inadequate information or projects deemed not financially feasible by the Agency will be deemed not eligible to compete for grant funding. See 7 CFR 4284.922(b)(6).

Note: If you request Reserve Funds, you must document eligibility for the requirements stated in 7 CFR 4284.922(c). Ten percent of available funds are reserved to fund applications submitted by Beginning Farmers or Ranchers and Socially Disadvantaged Farmers or Ranchers, as defined in 7 CFR 4284.902. An additional 10 percent of available funds are reserved to fund Mid-Tier Value Chain projects. If your application is eligible, but does not receive Reserve Funding, it will automatically be considered for general funds in that same fiscal year, as funding levels permit and in accord with project ranking. As previously noted, Harvester operations are not considered a Farm or Ranch and are not eligible for Reserve Funds for a Beginning Farmer or Rancher or a Socially Disadvantaged Farmer or Rancher; however, Harvester operations may request Reserve Funds for a qualifying Mid-Tier Value Chain project, as applicable.

C. Other Eligibility Requirements

1. Grant Period Eligibility. Your project timeframe or grant period can be a

maximum of 36 months in length from the date of award. Your *proposed* grant period should begin no earlier than the anticipated award announcement date herein, January 18, 2013, and should end no later than 36 months following that date. If you receive an award, your grant period will be revised to begin on the *actual* date of award—the date the grant agreement is executed by the Agency—and your grant period end date will be adjusted accordingly. Your project activities must begin within 90 days of that date of award. If you request funds for a time period beginning before January 18, 2013, and/or ending later than 36 months from that date, your application will be ineligible. The length of your grant period should be based on your project's complexity, as indicated in your application work plan. For example, it is expected that most planning grants can be completed within 12 months. If you cannot finish your project during the approved timeframe, you may request an extension of up to 1 year from your local Rural Development office. Extensions will be considered only if unavoidable or unforeseen circumstances prevent you from finishing your project. Extensions beyond 3 years from the actual date of award will not be considered.

2. Ineligible Expenses. Applications with ineligible expenses of more than 10 percent of total project costs will be ineligible to compete for funds. Eligible applications that are selected for award but contain ineligible expenses of 10 percent or less of total project costs must remove those ineligible expenses from the final project budget that is subject to approval by the Agency. See 7 CFR 4284.923 for examples of eligible planning and working capital use of funds, and see 7 CFR 4284.924 for examples of ineligible use of funds.

3. Completeness. If your application is incomplete, it is ineligible to compete for funds.

4. Registrations.

i) Please note that grant applicants must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number pursuant to 2 CFR 25.200(b).

You must provide your DUNS number in the application, or it will be ineligible for funding. A DUNS number can be obtained at no cost via a toll-free request line at (866) 705-5711 or online at <http://www.dnb.com>.

ii) Please note also that pursuant to 2 CFR 25.200(b) grant applicants must register in the Central Contractor Registration (CCR) database, or its successor database known as the System for Award Management (SAM), prior to submitting an application; unless you are exempt under 2 CFR 25.110. Grant applicants must maintain an active CCR / SAM registration with current information at all times during which you have an active Federal award or an application under consideration by the Agency. An active CCR / SAM Registration Cage Code and expiration date must be included in your application or it will not be eligible for funding.

To register in the database, visit <https://www.sam.gov/> or call the Federal Service Desk for assistance by dialing 1-(866) 606-8220 and press '1' (See 2 CFR part 25). Since there are no specific fields for a Registration Cage Code and expiration date, please enter them in field 5(a) "Federal Entity Identifier" on Form SF 424.

iii) Similarly, all recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive compensation in accordance with 2 CFR part 170. So long as an entity applicant does not have exception under 2 CFR 170.110(b), the applicant must have the necessary processes and systems in place to comply with the reporting requirements should the applicant receive funding. See 2 CFR 170.200(b).

IV. Fiscal Year 2012 Application and Submission Information

A. Address to Request Applications

The application guide, government forms, regulation, and official program notifications for this funding opportunity can be obtained online at http://www.rurdev.usda.gov/BCP_VAPG.html. Or, you can contact your USDA Rural Development State Office by visiting http://www.rurdev.usda.gov/recd_map.html.

B. Form of Submission

You may submit your application in paper form or electronically through Grants.gov. Your application must contain all required information.

To submit an application electronically, you must follow the instructions for this funding announcement at <http://www.grants.gov>. Please note that we cannot accept emailed or faxed applications. You can locate the Grants.gov downloadable application package for this program by using a keyword, the program name, or the Catalog of Federal Domestic Assistance Number for this program. When you enter the Grants.gov

Web site, you will find information about submitting an application electronically through the site, as well as the hours of operation. We strongly recommend that you do not wait until the application deadline date to begin the application process through Grants.gov. You must submit all of your application documents electronically through Grants.gov. After electronically submitting an application through Grants.gov, you will receive an automatic acknowledgement from Grants.gov that contains a Grants.gov tracking number.

If you want to submit a paper application, send it to the State Office located in the State where your project will primarily take place. You can find State Office Contact information at http://www.rurdev.usda.gov/recd_map.html or see the list of State Offices at the beginning of this Notice. An optional-use Agency application template is available online at http://www.rurdev.usda.gov/BCP_VAPG.html.

C. Application Contents

Your application must contain all of the required forms and proposal elements described in 7 CFR 4284.931, unless otherwise clarified in this notice. Specifically, your application must include (1) the required forms as described in 7 CFR 4284.931(a), except (i) you do not need to submit Form RD 1940-20, “Request for Environmental Information,” because planning and working capital requests in this program are generally excluded from the environmental review process, and (ii) corporate applicants must also complete Form AD-3030, “Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants”; and (2) the required proposal elements

as described in 7 CFR 4284.931(b). Further clarification of application requirements is as follows:

In addition, you must include a one-page Executive Summary containing the following information: legal name of applicant entity, application type (planning or working capital), applicant type, amount of grant request, a summary of your project, whether you are submitting a simplified application, and whether you are competing for reserve funds.

Further, certifications for the following, among others specified elsewhere, must be included in the application:

1. Awards made under this Notice are subject to the provisions contained in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. No. 112-55, Division A sections 738 and 739 regarding corporate felony convictions and corporate federal tax delinquencies. To comply with these provisions, all applicants must complete paragraph (A) of this representation, and all corporate applicants also must complete paragraphs (B) and (C) of this representation:

(A) Applicant, [insert applicant name], _____ is _____ is not (check one)
an entity that has filed articles of incorporation in one of the fifty
states, the District of Columbia, or the various territories of the United
States including American Samoa, Federated States of Micronesia,
Guam, Midway Islands, Northern Mariana Islands, Puerto Rico,
Republic of Palau, Republic of the Marshall Islands, U.S. Virgin
Islands.

(B) Applicant, [insert applicant name], _____ has _____ has not (check one) been convicted of a felony criminal violation under Federal or state law in the 24 months preceding the date of application.

Applicant _____ has _____ has not (check one) had any officer or agent of the Applicant convicted of a felony criminal violation for actions taken on behalf of the Applicant under Federal or State law in the 24 months preceding the date of the signature on the application.

(C) Applicant, [insert applicant name], _____ has _____ does not have (check one) any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2. You must certify that there are no current outstanding Federal judgments against your property and that you will not use grant funds to pay for any judgment obtained by the United States. To satisfy this certification requirement, you should include this statement in your application: “[INSERT NAME OF APPLICANT] certifies that the United States has not obtained an unsatisfied judgment against its property and will not use grant funds to pay any judgments obtained by the United States.” A separate signature is not required.

D. Simplified Applications

If you are requesting less than \$50,000 in working capital grant funds, you may submit a simplified application. See 7 CFR 4284.932. You are not required to provide an independent feasibility study or business plan. You are required to provide information to show the increases in customer base and revenues expected to be derived from the project that will benefit the producer applicants supplying the majority of the agricultural commodity for the project. References to information from third-party sources that support your conclusions will enhance your application and improve scoring. Also see 7 CFR 4284.922(b)(6)(ii).

If you are an Independent Producer applicant type applying for a working capital grant of \$50,000 or more, and your project is for market expansion of an existing value-added product(s) that you have successfully produced and marketed for at least 2 years prior to the submission of the application, and is a value-added product that you have produced from more than 50 percent of your own agricultural commodity, you must submit a business or marketing plan for the project, but are not required to submit a feasibility study. Your application must contain adequate information to demonstrate the increases in customer base and revenues expected to be derived from the project that will benefit the applicant producers supplying the majority of the agricultural commodity for the project. References to information from third-party sources that support your conclusions will enhance your application and improve scoring. See 7 CFR 4284.922(b)(6)(i).

E. Funding Restrictions

Funding limitations and reservations found in the program regulation will apply. See 7 CFR 4284.925.

1. Use of Funds. Grant funds may be used to pay up to 50 percent of the total eligible project costs, subject to the limitations established for maximum total grant amount. Grant and matching funds may only be used for eligible purposes (see 7 CFR 4284.923) and may not be used for ineligible purposes (see 7 CFR 4284.924). If Program Income is earned during the grant period as a result of the project activities, it is subject to the requirements in 7 CFR 3019.24, and must be managed and reported accordingly.

2. Majority Controlled Producer-Based Business. The aggregate amount of awards to Majority Controlled Producer-Based Businesses in response to this announcement shall not exceed 10 percent of the total funds obligated for the program during the fiscal year.

3. Reserved Funds. In response to this announcement, 10 percent of total funding available will be used to fund projects that benefit Beginning Farmers or Ranchers, or Socially-Disadvantaged Farmers or Ranchers. In addition, 10 percent of total funding available will be used to fund projects that propose development of Mid-Tier Value Chains as part of a Local or Regional Supply Chain Network. See related definitions in 7 CFR 4284.902.

4. Disposition of Reserved Funds Not Obligated. For this announcement, any Reserved Funds that have not been obligated by June 30, 2012, will be available to the Secretary to make VAPG grants from the fund categories addressed at 7 CFR 4284.922 (c). After awards have been selected from each Reserved Fund, any excess unobligated funds will revert to general funds.

F. Intergovernmental Review

Executive Order (EO) 12372, “Intergovernmental Review of Federal Programs,” applies to this program. This EO requires that Federal agencies provide opportunities for consultation on proposed assistance with State and local governments that have chosen to participate in that process. Those states have established a Single Point of Contact (SPOC) to facilitate this consultation. For a list of states that maintain an SPOC, please see the White House website: http://www.whitehouse.gov/omb/grants_spoc. If your state has an SPOC, you must submit a copy of the application directly for review. Any comments obtained through the SPOC must be provided to your State Office for consideration as part of your application.

V. Application Review Information

Applications will be reviewed and processed as described at 7 CFR 4284.940.

A. Application Eligibility and Notifications

The Agency will conduct a review of your application to determine if it is complete and eligible. If the Agency determines that your application is ineligible at any time, then you will be notified in writing as to the reasons it was determined ineligible and you will be informed of any review or appeal rights.

If, at any time after you have submitted your application, you decide that you no longer want to request grant funding, you must notify the Agency in writing. Upon receipt of your notification, the Agency will rescind the award or withdraw the

application, as applicable.

B. Application Scoring

The Agency will only score applications in which the applicant and project are eligible, which are complete and sufficiently responsive to program requirements, and in which the Agency agrees on the likelihood of financial feasibility for working capital requests. We will score your application according to the procedures and criteria specified in 7 CFR 4284.942, and with tiered scoring thresholds as specified below.

For each criterion, you must show how the project has merit and why it is likely to be successful. If you do not address all parts of the criterion, or do not sufficiently communicate relevant project information, you will receive lower scores. The maximum number of points that can be awarded to your application is 100. For this announcement, there is no minimum score requirement for funding. Note: If you are submitting a working capital application that requires a feasibility study and/or business plan, you must submit those documents along with your application. In addition, you must summarize within your application relevant results of the feasibility study/business plan in response to the scoring criteria, as applicable, because reviewers will not receive copies of your feasibility study/business plan when evaluating your proposal and assigning scores. The Agency application package provides additional instruction to help you to respond to the criteria below.

1. Nature of the Proposed Venture (graduated score 0 - 30 points).

For both planning and working capital grants, you should discuss the technological feasibility of the project, as well as the operational efficiency, profitability,

and overall economic sustainability resulting from the project. In addition, demonstrate the potential for expanding the customer base for the agricultural commodity or value-added product, and the expected increase in revenue returns to the producer-owners providing the majority of the raw agricultural commodity to the project. You should reference third-party information that specifically supports your value-added project; discuss the value-added process you are proposing; potential markets and distribution channels; the value to be added to the raw commodity through the value-added process; cost and availability of inputs, your experience in marketing the proposed or similar product; business financial statements; and any other relevant information that supports the viability of your project. Working capital applicants should demonstrate these concepts that will result from the project. Planning grant applicants should describe the *expected results*, and the reasons supporting those expectations.

Points will be awarded as follows:

- i) 0 points will be awarded if you do not substantively address this criterion.
- ii) 10 points will be awarded if the criterion is poorly addressed.
- iii) 20 points will be awarded if the criterion is partially addressed.
- iv) 30 points will be awarded if you clearly articulate the rationale for the project and show a high likelihood of success based on technological feasibility and economic sustainability.

2. Qualifications of Project Personnel (graduated score 0 - 20 points). You should identify and describe the qualifications of each person responsible for leading or managing the total project, as well as the people responsible for actually conducting the individual tasks in the work plan. You should discuss the credentials, education,

capabilities, experience, availability and commitment of each person working on the project. If staff or consultants have not been selected at the time of application, you should describe the qualifications required for the positions to be filled. Points will be awarded as follows:

- i) 0 points will be awarded if you do not substantively address this criterion.
- ii) 10 points will be awarded if at least one of the identified staff or consultants demonstrates 5 or more years of relevant experience; or, if no project personnel have been identified but necessary qualifications for the positions to be filled are clearly described.
- iii) 20 points will be awarded if all of the identified staff demonstrates relevant qualifications and experience.

3. Commitments and Support (graduated score 0 - 10 points). Your application must show that the project has strong direct financial, technical and logistical support from agricultural producers, end-users, and other third party contributors who are necessary for the successful completion of the project. All cash or in-kind contributions from producers, end users, or other contributors should be discussed. End-user commitments may include contracts or letters of intent or interest in purchasing the value-added product. Third-party commitments may include evidence of critical partnerships, logistical, or technical support necessary for the project to succeed. Points will be awarded as follows:

- i) 0 points will be awarded if you do not show that you have quality commitments or support from producers, end-users or other critical third party contributors.

ii) 5 points will be awarded if you partially show real, high quality direct support or commitments from at least one producer, end user, or other third party contributor.

iii) 10 points will be awarded if you show real, high quality direct support or commitments from multiple producers, end-users and critical third-party contributors.

4. Work Plan and Budget (graduated score 0 - 20 points). You must submit a comprehensive work plan and budget (for full details, see 7 CFR 4284.922(b)(5)).

Your work plan must provide specific and detailed descriptions of the tasks and the key project personnel that will accomplish the project's goals. The budget must present a detailed breakdown of all estimated costs of project activities and allocate those costs among the listed tasks. You must show the source and use of both grant and matching funds for all tasks. Matching funds must be spent at a rate equal to, or in advance of, grant funds. An eligible start and end date for the project and for individual project tasks must be clearly shown and may not exceed Agency specified timeframes for the grant period. Working Capital applications must include an estimate of Program Income expected to be earned during the grant period (see 7 CFR 3019.24).

i) 0 points will be awarded if the work plan and budget do not substantively address this criterion.

ii) 10 points will be awarded if the work plan and budget only partially address this criterion.

iii) 20 points will be awarded if a detailed, comprehensive work plan and budget is provided.

5. Priority Points (lump sum score 0 or 10 points). Priority points may be awarded in both the general funds competition, as well as the Reserve Funds competitions. You may request priority points if you meet the requirements for one of the following categories and provide the documentation described in 7 CFR 4284.922(d), as applicable:

Beginning Farmer or Rancher, or

Socially Disadvantaged Farmer or Rancher, or

Operator of a Small or Medium-sized farm or ranch that is structured as a Family Farm, or

Farmer or Rancher Cooperative, or

Mid-Tier Value Chain project.

It is recommended that you use the Agency application package when applying for priority points and refer to the documentation requirements specified in 7 CFR 4284.922(d). Harvester operations are not considered a Farm or Ranch and are not eligible for priority points for a Beginning Farmer or Rancher, a Socially Disadvantaged Farmer or Rancher, an Operator of a Small or Medium-sized farm or ranch that is structured as a Family Farm, or a Farmer or Rancher Cooperative; however, Harvester operations may request priority points for a qualifying Mid-Tier Value Chain project, as applicable. All qualifying applicants will receive 10 points. If you do not provide sufficient documentation you will receive 0 points.

6. Administrator Priority Categories (graduated score 0 - 10 points). The Administrator of USDA Rural Development Business-Cooperative Service (RBS) may

choose to award up to 10 points to an application to improve the geographic diversity of awardees in a fiscal year.

C. Selection of Applications

The Agency will select applications for award under this Notice in accordance with the provisions specified in 7 CFR 4284.950(a).

We will first review your application for eligibility and to determine if it is complete and sufficiently responsive to the requirements of the program to allow for an informed review (see 7 CFR 4284.940).

If your application is eligible and complete, it will be scored by two reviewers based on criteria specified in section V.B. of this Notice. One of these reviewers will be a Rural Development employee from your servicing State Office and the other reviewer will be a non-Federal, independent reviewer. The State Office may enlist the support of technical experts, qualified as described below and approved by the State Director, to assist the State Office scoring process. All reviewers must meet the following qualifications. Reviewers must have at least a bachelor's degree in one or more of the following fields: agri-business, business, economics, finance, or marketing. They must also have a minimum of 3 years of experience in an agriculture-related field (e.g. farming, marketing, consulting, university professor, research, officer for trade association, government employee for an agricultural program). If the reviewer does not have a degree in one of those fields, he/she must have at least 5 years of working experience in an agriculture-related field.

Both reviewers will score evaluation criteria 1 through 4 and the totals for each reviewer will be added together and averaged. The Rural Development reviewer will also assign priority points based on criterion 5 in section V.B. of this Notice. These will be added to the average score. The sum of these scores will be ranked high to low and this will comprise the initial ranking.

The Administrator of RBS may choose to award up to 10 Administrator priority points based on criterion 6 in section V.B. of this Notice. These points will be added to the cumulative score for a total possible score of 100.

A final ranking will be obtained based solely on the scores received for criteria 1 through 6. Applications for reserved funding will be funded in rank order until funds are depleted. Unfunded reserve category applications will be returned to the general funds category where applications will be funded in rank order until the funds are depleted. Funding for Majority Controlled Producer-Based Business Ventures (MAJ) is limited to 10 percent of total grant funds expected to be obligated as a result of this Notice. MAJ applications will be funded in rank order until the funding limitation has been reached. Grants to MAJ applicants from reserved funds will count against this funding limitation.

If your application is ranked, but not funded, it will not be carried forward into the next competition. We will notify you in writing if your application is not selected for funding and inform you of any appeal rights. You may submit an updated application for consideration during the next round of funding.

VI. Award Administrative Information

A. Award Notices

If your application is successful, you will receive notification regarding funding from the State Office where your application is submitted or where the project will primarily take place if you submit your application via Grants.gov. You must comply with all applicable statutes, regulations, and notice requirements before the grant award will be approved. See 7 CFR 4284.951. If your application is not successful, you will receive notification, including review, mediation procedures and appeal rights, by mail. See 7 CFR part 11.

B. Administrative and National Policy Requirements.

1. Review or appeal rights. A person may seek a review of an Agency decision or appeal to the National Appeals Division in accordance with 7 CFR part 11.
2. Transparency Act Requirements. All recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive compensation (see 2 CFR part 170). You will be required to have the necessary processes and systems in place to comply with the Transparency Act reporting requirements (see 2 CFR 170.200(b), unless you are exempt under 2 CFR 170.110(b)).
3. Compliance with other laws and regulations. The provisions of 7 CFR 4284.905 applies to this Notice, which includes requiring applicants to be in compliance with other applicable Federal laws.
4. Monitoring and reporting program performance. The provisions of 7 CFR 4284.960 applies to this Notice.
5. Grant servicing. All grants awarded under this Notice shall be serviced in accordance with 7 CFR part 1951, subparts E and O as applicable, and the Departmental

Regulations (7 CFR parts 3000-3099), with the exception that delegation of the post-award servicing of the program does not require the prior approval of the Administrator.

6. Transfer of obligations. Any transfer of funds obligated under this Notice from an applicant to a different applicant must comply with the requirements specified in 7 CFR 4284.962.

7. Grant close-out and related activities. The provisions of 7 CFR 4284.963 applies to this Notice.

8. Exception authority. The provisions of 7 CFR 4284.904 applies to this Notice.

9. Departmental regulations. Unless specifically stated otherwise in this Notice or in 7 CFR part 4284, subpart J, this Notice incorporates by reference the regulations of the Department of Agriculture's Office of Chief Financial Officer (or successor office) as codified in 7 CFR parts 3000 through 3099, including, but not necessarily limited to, 7 CFR parts 3015 through 3019, 7 CFR part 3021, 7 CFR part 3052, and 2 CFR parts 25, 170 and 417; and successor regulations to these parts.

10. Cost principles. This Notice incorporates by reference the cost principles found in 2 CFR part 230 and in 48 CFR part 31.2.

D. Environmental review.

All recipients under this Notice are subject to the requirements of 7 CFR part 1940, subpart G and any successor regulations. However, 7 CFR 1940.333, 7 CFR 1940.310(c)(1) and 7 CFR 1940.317(g)(2) generally exclude applications for both planning and working capital grants.

VII. Agency Contacts

If you have questions about this Notice, please contact the State Office as identified in the ADDRESSES section of this Notice. You are also encouraged to visit the application website for application tools, including an application guide and templates.

The web address is: http://www.rurdev.usda.gov/BCP_VAPG.html.

VIII. Nondiscrimination Statement

USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. Not all prohibited bases apply to all programs. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue SW., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider, employer, and lender.

Dated: August 8, 2012

CURTIS A. WILEY
Acting Administrator
Rural Business - Cooperative Service

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